

Peter Glaessner (SBN 93830)
ALLEN, GLAESSNER, HAZELWOOD WERTH LLP
180 Montgomery Street, Suite 1200
San Francisco, CA 94104
Telephone: (415) 697-2000
E-mail: pglaeessner@aghwlaw.com

Carlton J. Willey (CA Bar No. 269120)
WILLEY & BENTALEB LLP
JP Morgan Chase Building
560 Mission Street, Suite 1300
San Francisco, CA 94105
Telephone: (415) 426-7111
E-mail: Carlton@WBLawPartners.com

*Attorney for Plaintiff
American Nonprofits, Inc.*

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

American Nonprofits, Inc.,
a California Nonprofit Corporation,
Plaintiff,
vs.
Jan Masaoka,
an Individual,
Defendant.

) CASE NO.:
)
) **COMPLAINT FOR DECLARATORY
JUDGMENT**
)
) **1. Declaratory Judgment**
)
)
)
)

Plaintiff AMERICAN NONPROFITS, INC. (“American Nonprofits”), by and through counsel, hereby complains against Defendant JAN MASAOKA (“Masaoka”), and alleges as follows:

PARTIES AND NATURE OF THE ACTION

1. Plaintiff American Nonprofits is a nonprofit corporation organized under the laws of the State of California, with its principal place of business located in Santa Cruz, California.

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2. On information and belief, Defendant Masaoka is an individual residing in Santa Cruz, California.

3. This is an action for declaratory judgment, alleged by American Nonprofits against Masaoka.

JURISDICTION AND VENUE

4. Jurisdiction is proper in this court because this litigation arises under federal law, namely 17 U.S.C. § 1051 et seq. (Lanham Act). The Court has jurisdiction over this action under 28 U.S.C. § 1331 (federal question), 28 U.S.C. § 1338(a) (trademarks), and 28 U.S.C. § 2201 (Declaratory Judgment Act).

5. Venue is proper in the Northern District of California, pursuant to 28 U.S.C. § 1391, because a substantial part of the events or omissions giving rise to this Complaint occurred in San Francisco County, California.

6. The intra-district assignment to the San Francisco Division is proper as a substantial amount of the events or omissions giving rise to this action occurred in San Francisco County, California.

FACTUAL ALLEGATIONS

7. The publication *Blue Avocado*, a Magazine of American Nonprofits, is an online publication that reaches 65,000 subscribing readers, publishing content related to management of nonprofit organizations.

8. Blue Avocado was developed with nonprofit funds, by two nonprofits—first CompassPoint and later American Nonprofits—to further the mission of serving the nonprofit business community.

9. Pursuant to the 2012 Memorandum of Understanding (the “Memorandum”) attached hereto as Exhibit A, all stakeholders involved in the publication and management of *Blue Avocado* entered into an agreement concerning all aspects of ownership of *Blue Avocado*. The Memorandum was executed by all stakeholders in order to memorialize their agreement: “This memorandum memorializes the agreement among the parties concerning the future ownership of the online magazine *Blue Avocado*, including rights to the use of content of *Blue Avocado*.” See Ex. A, ¶ 1.

10. Defendant Masaoka now claims to be the owner of *Blue Avocado*, as an individual, including all content, copyrights, trademarks, and other technical assets, and as a result of Defendant Masaoka's claims, a case of actual controversy now exists as to whether American Nonprofits owns *Blue Avocado*, and has a right to publish *Blue Avocado*.

11. Further, the 2012 Memorandum, which Masaoka executed in her individual capacity, states “Masaoka hereby licenses Blue Avocado and American Nonprofits, without fee, to use such content for American Nonprofits’ non-commercial purposes. The license for the use will continue in perpetuity.” Despite this, Defendant Masaoka now claims exclusive rights to all content, and seeks to prevent American Nonprofits from continued publication of *Blue Avocado*, including its past content.

12. The files necessary for publication of Blue Avocado are currently in Masaoka's possession, which prevents its lawful owner, American Nonprofits, the practical ability to continue publishing Blue Avocado.

13. Ms. Masaoka is not the originator of the term “Blue Avocado” as the name for the *Blue Avocado* publication—the name was conceptualized and developed by employees of CompassPoint Nonprofit Services (“CompassPoint”) and transferred in 2012 from CompassPoint to American Nonprofits. Despite this, Ms. Masaoka is now claiming to own, as an individual, a “common law trademark” in “Blue Avocado” and attempts to restrict its lawful owner, American Nonprofits, from publishing its *Blue Avocado* publication.

14. Ms. Masaoka did not pay for and is not the lawful owner of the BlueAvocado.org URL / website domain—it was paid for by CompassPoint and transferred in 2012 from CompassPoint to American Nonprofits. Despite this, Ms. Masaoka is currently holding on to the URL and refusing to transfer the URL to the lawful owner, American Nonprofits.

CAUSE OF ACTION

DECLARATORY JUDGMENT

15. All of the preceding paragraphs are incorporated by reference herein.

16. As further explained above, a case of actual controversy now exists as to whether American Nonprofits owns *Blue Avocado*, and has a right to publish *Blue Avocado*.

17. Rule 57 of the Federal Rules of Civil Procedure provides that "The court may order a speedy hearing of a declaratory-judgment action."

18. American Nonprofits seeks declaratory judgment from this Court that it is the owner of the *Blue Avocado* publication, that it has been granted a license to past content created for *Blue Avocado*, and that pursuant to its ownership and license, American Nonprofits may continue to publish *Blue Avocado*.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that the Court:

1. Enter judgment according to the declaratory relief sought: a judicial determination and order to effectuate the parties' agreement, and declare that American Nonprofits owns the Blue Avocado publication and its technical assets;

2. Award injunctive relief in order to effectuate transfer of assets of *Blue Avocado* to American Nonprofits, so that American Nonprofits may continue its future publication, or which the Court determines to be just and proper; and:

3. Enter such other further relief to which American Nonprofits may be entitled as a matter of law or equity, or which the Court determines to be just and proper.

Respectfully submitted,

Dated: April 11, 2016

ALLEN, GLAESSNER,
HAZELWOOD & WERTH, LLP

By: /s/ Peter O. Glaessner

PETER O. GLAESSNER
Attorneys for Plaintiff
AMERICAN NONPROF

Respectfully submitted,

Dated: April 11, 2016

WILLEY & BENTALEB, LLP

By: /s/ Carlton J. Willey

Carlton J. Willey
Attorneys for Plaintiff
AMERICAN NONPROFITS, INC.

Exhibit A



September 10, 2012
Santa Cruz, CA

This memorandum memorializes the agreement among the parties concerning the future ownership of the online magazine *Blue Avocado*, including rights to the use of content of *Blue Avocado*.

This memorandum also memorializes the parties' agreement concerning the benefits to accrue to current subscribers to *Blue Avocado*, as well as benefits to accrue to future subscribers.

Recitals

Blue Avocado was developed by Jan Masaoka ("Masaoka") while she was an independent consultant to CompassPoint Nonprofit Services [CompassPoint]. The development of *Blue Avocado* was supported by financial assistance of Nonprofits' Insurance Alliance of California ("NIAC") and Alliance of Nonprofits for Insurance, Inc. ("ANI"), including a recoverable grant from NIAC to CompassPoint, and in-kind assistance from CompassPoint.

NIAC, ANI, CompassPoint and Masaoka agree with the arrangements and terms of the future publication of *Blue Avocado* as set forth herein. Pursuant to the terms set out herein, neither NIAC, ANI, CompassPoint nor Masaoka claim an ongoing ownership interest in *Blue Avocado*.

As of October 1, 2012 American Nonprofits, Inc. [American Nonprofits] will be the owner and publisher of *Blue Avocado*. Masaoka will continue to manage the publication of *Blue Avocado*. Masaoka is a founding director of American Nonprofits.

On or about November 1, 2012, CompassPoint will transfer to American Nonprofits approximately \$72,000 [funds on hand net of current obligations] that CompassPoint has been holding on behalf of the *Blue Avocado* project. Nonprofits. Masaoka will receive compensation from American Nonprofits in the position of Editor of *Blue Avocado*.

Masaoka and CompassPoint will continue jointly to hold the copyright to content of *Blue Avocado* developed through October 1, 2012; provided, however, that Masaoka and CompassPoint hereby jointly license *Blue Avocado*, American Nonprofits and Masaoka [severally or jointly and without fee] to use such content for American Nonprofits' and Masaoka's non-commercial purposes. This license for use will continue in perpetuity. Masaoka and American Nonprofits agree that American Nonprofits will own the copyright to content of *Blue Avocado* that is developed after October 1, 2012; provided however, that in perpetuity and without fee, Masaoka, individually, may use for her nonprofit purposes content of *Blue Avocado* that she develops.

CompassPoint has never returned funds to NIAC under the recoverable grant and NIAC has no expectation of any recovery. American Nonprofits makes the same representation to NIAC as was previously made by CompassPoint with respect to the recoverable grant for development of *Blue Avocado*: to the extent that *Blue Avocado* generates net income for American Nonprofits, American Nonprofits will return recoverable grant funds to NIAC. No debt is created from American Nonprofits to NIAC through this memorandum.

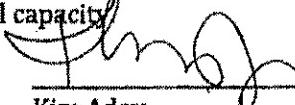
American Nonprofits acknowledges the value accruing to it as the designated owner of *Blue Avocado* as of October 1, 2012. Such value includes, but is not limited to, name recognition and goodwill associated with *Blue Avocado*, the status of *Blue Avocado* as a fully operational publishing venture, the publication's subscriber loyalty and subscriber mailing list, and the content licensing for past issues of *Blue Avocado*.

Consideration Given by American Nonprofits, Inc. for Ownership of *Blue Avocado*

In consideration of the parties' agreements concerning the ownership of *Blue Avocado*, American Nonprofits grants current and future subscribers to *Blue Avocado* membership in American Nonprofits through December 31, 2014.

Blue Avocado has approximately 65,000 subscribing readers as of the date of this memorandum; the parties estimate the value of *Blue Avocado* to American Nonprofits, and the value of the American Nonprofits memberships to *Blue Avocado* subscribers, to be \$195,000.

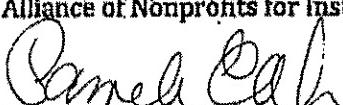
The individuals executing this memorandum represent that they have authority to do so; Jan Masaoka executes this memorandum in her individual capacity.



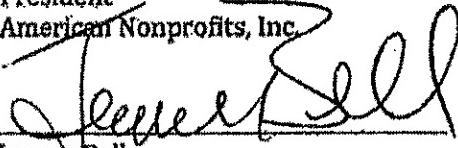
Kim Aday
CFO and Treasurer
Nonprofits' Insurance Alliance, Inc.



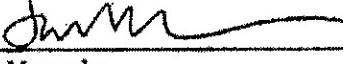
Kim Aday
CFO and Treasurer
Alliance of Nonprofits for Insurance, Inc.



Pamela Davis
President
American Nonprofits, Inc.



Jeannie Bell
President and CEO
CompassPoint Nonprofit Services



Jan Masaoka